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July 20, 2015

VIA ECF

**LETTER MOTION FOR PERMISSION TO MOVE
FOR STAY PENDING APPEAL ON EXPEDITED BASIS**

Honorable Katherine B. Forrest
United States District Court
Southern District of New York
500 Pearl Street, Room 1950
New York, New York 10007

Re: *Sanjiv Ahuja v. LightSquared Inc., et al.*, No. 15-cv-2342, on appeal from
In re LightSquared Inc., et al., Ch. 11 Case No. 12-12080

Dear Judge Forrest:

On behalf of appellant Sanjiv Ahuja, we write to request permission to move on an expedited basis for a stay of the Bankruptcy Court's March 27, 2015 order confirming the chapter 11 plan of LightSquared Inc. and its debtor affiliates ("LightSquared") pending Mr. Ahuja's appeal.

At oral argument held June 4, 2015 (the relevant excerpt of which is enclosed herewith), the Court previously indicated Mr. Ahuja should not move for such a stay while the appeal was *sub judice*:

If, for instance, I were to rule against you, Mr. Samet, then I would assume you would take it to the Second Circuit. You would still have this period of time that is out there. So you would then move before the Second Circuit for a stay, if you deemed that necessary or appropriate. **Then if you move for a stay before me, I am going to tell you to wait, because that will require me to figure out if you have any likelihood in success of the merits that I am already in the process of deciding the appeal.**

In accordance with this Court's instructions, Mr. Ahuja waited for a decision or further notification from the Court before moving for a stay. In order to remain true to the Court's direction to ensure enough time for a decision without the Court having to decide a stay motion, Mr. Ahuja proposed the Court direct that he be provided 14-days advance notice of plan

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consummation so the parties could avoid having to brief whether a stay should be granted on an emergency basis in contravention of the Court's instructions.

Nevertheless, by letter dated July 17, 2015, LightSquared now takes the position (despite having said nothing at oral argument) that Mr. Ahuja must make a formal motion for a stay and he had better be prepared to post a bond equal to \$1.7+ million per day (alleged added interest expense and professional fees) plus the cost of any increase in LightSquared's commitment fees.

Mr. Ahuja submits an analysis of LightSquared's borrowing costs under its pre- and postpetition and exit facilities and interest obligations to preferred equity holders reveals LightSquared's interest-accrual concerns are significantly overstated. In fact, the exit financing is likely more expensive than its current financing. In any event, Mr. Ahuja is surprised LightSquared is only now raising an issue about the alleged added cost from a stay when the parties discussed the need for and consequences of a stay with the Court in both April and June.¹

In light of LightSquared's threat to consummate the plan while this Court is still considering the appeal, Mr. Ahuja respectfully requests permission to move for a stay on an expedited basis. Mr. Ahuja is prepared to move for a stay today, July 20, 2015. Mr. Ahuja requests that any response be filed within 2 days after filing of his motion, and that argument on such motion be scheduled for as soon thereafter as practicable. Absent entry of a stay, there exists a material risk that the FCC will promptly approve LightSquared's change of control application, that LightSquared will begin taking steps to consummate the plan, and that LightSquared will argue such consummation renders Mr. Ahuja's appeal equitably moot.

We appreciate the Court's consideration of this matter and remain available for a conference at the Court's convenience.

Respectfully,



Avery Samet

cc: Michael Hirschfeld
ECF List

Enclosure

¹ Mr. Ahuja disputes many of the assertions of fact and law contained in LightSquared's July 17, 2015 letter and will address them in his motion papers.

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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
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3 In Re: LIGHTSQUARED, INC.,
4 15 Civ. 2342 (KBF)
5 15 Civ. 2848 (KBF)
-----x

6 New York, N.Y.
7 June 4, 2015
10:00 a.m.

8 Before:
9 HON. KATHERINE B. FORREST,
10 District Judge

11 APPEARANCES

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19 JAMES BURKE

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1 decisions. They are not going to be a combined decision. I am
2 not going to issue it now, because I need to step back in both
3 appeals and review things and go through the cases and, again,
4 make sure that I have focused in the ways that you folks have
5 now helped to focus me.

6 I will write two separate opinions, because I think
7 that they will have potentially different history in terms of
8 where they proceed next and how they get looked at. But the
9 timing will be probably similar, because I think that wherever
10 they go, they should go at effectively the same time. They may
11 go to two different places, and that will be up to you folks.
12 Well, in part, it will be up to if I send them someplace.

13 But to the extent that I am capable of trying to keep
14 things in some coordinated fashion, I am going to try to. That
15 may not end up happening if my schedule ends up getting messed
16 up. I think the timing here is driven more by the Ahuja case
17 appeal than it is by the SPSO. Tell me what you're looking at.
18 You were saying in terms of a stay.

19 Because in terms of timing, what timing is going to be
20 a problem for you? If, for instance, I were to rule against
21 you, Mr. Samet, then I would assume you would take it to the
22 Second Circuit. You would still have this period of time that
23 is out there. So you would then move before the Second Circuit
24 for a stay, if you deemed that necessary or appropriate. Then
25 if you move for a stay before me, I am going to tell you to

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1 wait, because that will require me to figure out if you have
2 any likelihood in success of the merits that I am already in
3 the process of deciding the appeal.

4 What timing in terms of where things stand with the
5 process are we looking at? I know it is as soon as possible,
6 because this was brought on an expedited basis. But tell me,
7 if I gave you a decision in six weeks, is that going to really
8 be a problem for you? That is what I would normally be doing.
9 It would be sometime after the week of July 4.

10 MR. SAMET: Let me answer this way. As your Honor
11 recalls, we were here in April and the discussion was in April,
12 we had a fear that there could be an argument that once they
13 consummated the plan, they would argue equity out. There was a
14 lot of discussion between myself and Mr. Hirschfeld where we
15 discussed that, well, the issue that would cause us to allow
16 them to consummate the plan was FCC approval of the change in
17 control application.

18 At the time they had said 45 to 60 days. There was a
19 number of components of that. I guess in an answer to that
20 question, my understanding is that the FCC has not yet
21 published the objection period for comment on the change in
22 control application. I could be very wrong. I think I would
23 leave that to Mr. Hirschfeld.

24 MR. HIRSCHFELD: Your Honor, there has been a
25 publication.